

**Editorial**

This month, Dyesol Chairman Richard Caldwell and Managing Director Sylvia Tulloch spent a week in Europe briefing journalists, SRI, nanotechnology funds and the ethical investment community on Dyesol's achievements in its first year as a listed company, and on our plans for this year. It was gratifying to see the recognition Dyesol had achieved in Europe. It was also pleasing to be selected by the Australian government to be featured as a case study in the High Schools Business Course text and accompanying video. To support our international communication strategy, our marketing team has developed a set of branded brochures and information packs, supported by a Dyesol video in German and Japanese as well as English. These will soon be available to download from our website. It is important to show our many stakeholders the depth of commitment of the Dyesol team, and we recommend the video as a good way for readers to see our laboratory, pilot plant and products.

Dyesol Launches CCIC Partnership in the largest DSC Market in the World

On October 12 Dyesol launched its entry into the Japanese market with its exclusive Japanese distributor, Catalysts and Chemicals Industries Co. Ltd (CCIC) at the International Solar Energy Societies annual conference, Renewable Energy 2006, held this year in Chiba, Japan.



At the press conference following the launch the President of CCIC, Mr Michio Komatsu said that DSC is by far the best solar cell technology for variable light conditions, such as those that most commonly occur in cities. This means that the market for DSC is where silicon cannot effectively compete – particularly on facades of buildings and indoor applications. "DSC is the most mature of the new generation of solar cell technologies. DSC is the cleanest and greenest solar cell technology with the shortest forecast energy payback period," Mr Komatsu said. "There are over 100 universities, research organisations and companies involved in DSC in Japan. It is by far the biggest market for DSC in the world. The current market for materials is estimated to be 500,000,000 Yen per annum. This will grow exponentially as products are brought to market. We forecast that DSC growth rate will outstrip classical solar technologies by 2010. Based on industry estimates of the solar cell market which range from 10 to 100 MWp by 2020 the market for DSC could be well over 25 Billion yen per annum – while still having a relatively small market share. Eventually, within 25 years, the new generation technologies, led by DSC, will become one of the major players in the solar market place, simply due to value for money," Mr Komatsu predicted. CCIC forecasts that they will be making 500 million yen in DSC materials sales by 2010 in the Japanese market. Dyesol and CCIC are natural partners in many ways as Dyesol has been using



titanium colloids manufactured by CCIC for the last 6 years, adding significant value to one of CCIC staple products. CCIC as a world leader in manufacturing techniques for nano-materials and already a significant player in the sales of nano-materials in Japan, not only has

excellent market intelligence and an outstanding reputation, but will potentially be able to assist potential DSC consumers with production and technical issues as they work to bring DSC products to market.

STOP PRESS**Completion of Placement**

The Directors of Dyesol Limited are pleased to confirm the completion of a placement to institutions and sophisticated investors of 8.33 million shares at \$0.60 per share to raise \$5 million, before costs of the issue. Dyesol is gratified by the strong show of support for the Company and its management team, and the endorsement of the Company's global growth strategy

The funds raised will be used to accelerate the implementation of the strategy to be the preferred and dominant global supplier of dye solar cell ("DSC") products and services. Initially, this will enable the Company to respond to an unprecedented demand for Dyesol products and solutions. Dyesol intends to significantly increase its materials manufacturing capacity at its Queanbeyan plant to meet requirements from its international customers and partners. The accreditation programme for DSC building integrated panels will also be accelerated to enable earlier introduction of the design into international markets. In parallel, development of advanced manufacturing equipment for turnkey facilities will be brought forward. Finally, the Company will expand technological and business resources to meet the growth of licensed and collaborative product development projects.

The Company looks forward to reporting its progress to its highly valued shareholders as its business plan is implemented.

Dyesol has received some good media coverage in Germany. The Maydorn Report of 3rd November makes a clear buy recommendation for Dyesol at 0.45 Euros.

New Dyesol Acquisitions Consolidates World Leading IP Portfolio

A general meeting of shareholders on July 31st gave the Board almost unanimous support for exercise of the option to acquire 100% of Sustainable Technologies International.

That acquisition brings a suite of important DSC patents, a pioneer licence on core DSC technology from Michael Graetzel and EPFL, and an operating \$2 million development program with the Australian Department of Defence for the development of flexible solar cells.

Following the completion of the STI acquisition the Board of Dyesol Ltd has approved in principle an agreement that will result in ownership of 99% of the capital in the Swiss based Greatcell Solar SA.

Greatcell has complementary IP to the Dyesol IP portfolio and has expertise in the manufacturer of specialised dyes currently used by Dyesol. Over the years Greatcell has been involved in a number of Collaborative European Community R&D programs associated with Dye Solar Technology and materials development, that have led to independent and potentially valuable IP.

The Greatcell operation is located in Lausanne, close to Ecole Polytechnique Fédérale de Lausanne (EPFL) and Greatcell has enjoyed a rewarding and collaborative relationship with EPFL over a number of years Dyesol will continue to expand this relationship.

Prior to listing on the ASX Dyesol took an option to acquire the shareholding of Gavin Tulloch and Tulloch Management Pty Ltd representing approximately 51% of the capital of Greatcell Solar.

Subsequently Dyesol has reached an in principle agreement with the second largest shareholder to acquire a further 48% of the capital of Greatcell Solar for a total consideration of 500,000 fully paid ordinary shares in Dyesol Ltd.

New Director adds Breadth to Corporate Team



In September, the Dyesol Board welcomed Ian Neal as our fourth Director. Ian Neal is a principal of Management Abroad Pty Limited. Prior to Management Abroad, Ian was a co-founder and Managing Director of Nanyang Ventures Pty Limited, which had a total of \$140 million under management, invested in 27 companies across a range of industries from high technology to advanced manufacturing. Companies backed by Nanyang ranged

from start up to \$50 million in revenue.

Mr Neal's prior professional background is in financial markets, commencing as an equities analyst and moving through various Banking positions until establishing Nanyang in 1993 with his partners. Ian is a Senior Fellow of the Financial Services Institute of Australasia and is a past National President of the former Securities Institute.

Mr Neal holds a Bachelor of Commerce with Merit from the University of NSW (double major in Business Finance and Accountancy) and the Diploma of the Securities Institute of Australia.

Dyesol Launches New Website



The Internet is an integral part of Dyesol's plan to communicate its activities and we are pleased to announce that after several months of development and planning, our new website was officially launched today.

The new website further enhances the presentation of the Dyesol brand with a sharp new look and stimulating visual presence. With improved navigational and online purchasing structures, information on the technology is more visually appealing.

Enhanced features:

- Multi Media Presentations
- DSC Network & Forum
- Online Purchasing
- Online Quotations
- Downloads
- Technical Presentations & Papers

New DSC Research Project in Thailand

Following some months of discussion and negotiation Dyesol has recently completed a collaborative agreement with Thailand's National Science and Technology Development Agency (NSTDA).

Under the Agency's Renewable Energy Research & Development Program Dyesol will supply the materials for the programs more than 20 scientists, researchers and technologists to explore a number of potential DSC applications for Thailand.

Dyesol Managing Director, Sylvia Tulloch, said that the Thai collaboration was a good model for similar projects throughout the region.



"DSC as an emerging low cost PV technology has attracted the attention of many forward looking government, university and corporate research groups. The question all of them must ask is, 'What is the best approach, given their particular situation, to develop skills, products and potential markets with this technology.' The potential applications are so many and so large that development projects have to be very carefully planned and focused," Mrs Tulloch said.

"The Thai approach of evaluating the best potential applications that could satisfy domestic markets first is a commendable first step towards seeding a Thai DSC industry."

Dyesol Sponsors DSC Network and Invites Participation

The Dyesol Members Network is now active. To join the Network go to www.dyesol.com click on the DSC Network button and logon. Provide your basic contact information to become part of the Network. At this point in time membership is restricted to those who are actively involved in the Research and Development of Dye Solar Cell Technology. Those involved at this level will be pleased to note that by registering before the end of 2006 Dyesol will extend a 10% discount on all materials purchased from Dyesol until the end of June 2007.

We plan to add a commercially focused section to the forum and we ask those interested in exploring/discussing the industrialisation and commercialisation aspects of the technology to email your areas of interest to dyesol@dyesol.com and we will keep you informed of developments.



Information exchange within the Network will be through the **Dyesol Members Network Forum**. To ensure the Forum is managed professionally on behalf of the entire DSC community Dyesol has appointed an independent company, Australian Technology Promotions (ATP), to manage the Forum. Mr Ian Bergman, Executive Director of ATP, is the Forum facilitator. A scientist by training, Ian has worked with the Australian Federal Government and various environmental technology research centres for two decades. He established ATP in 1998 to assist the scientific community with the commercialisation of new technologies for the water, energy and biotechnology sectors.

The Dyesol Members Network Forum will facilitate the rapid transfer of ideas between Network Members. Discussion is expected to focus initially on key issues involving materials, equipment, testing procedures and standards. Network Members are invited to use the Forum to 'push the boundaries' and challenge the DSC community to improve standards to the required level that will enable the industrialisation and commercialisation of the Technology.

The discussion will be driven primarily by Network Members so send your suggestions for discussion topics to Ian by email at forum@dyesol.com In the coming weeks the Forum discussion will rapidly build and reflect important issues as determined by the Network Members. Dyesol is committed to assisting Ian in providing a robust discussion with a fast response and he has promised to push us hard to ensure a rapid response to Network Members.

Patent Action

In August, Dyesol was informed that our patent 'Electrophotochromic Smart Windows and Methods' was accepted in Europe as no opposition had been received in the allocated period. The authorities in France, Italy, Greece and Spain have ratified the patent Methods to Implement Interconnects in Multi-Cell Regenerative Photovoltaic Photoelectrochemical Devices in the name of Dyesol. Dyesol's patent attorneys, Griffith Hack have been instructed to file the PCT application 'Method for Electrolytic Engineering of Nano-Particulate Layers' in Australia, China, South Korea, USA, South Africa, Canada, Europe, Singapore and Japan.

Performance and Stability of Dyesol Modules proving to be Excellent

Recently completed extensive trials conducted over a period of 3000 hours under accelerated aging conditions, have found Dyesol DSC modules significantly more stable in both current and voltage than amorphous silicon modules.

The 3,000 hours of accelerated ageing reported in this work correspond to at least 5 years of outdoor illumination under conditions of Middle Europe, or to at least 3 years in Southern Europe or Sydney. Long-term tests with Dyesol test cells have clocked up 9,000 hours already, indicating a product life of 15 years (Middle Europe) to 9 years (Southern Europe, Sydney) with the present generation of the DSC modules. These tests are ongoing and Dyesol expects to be able to provide updates on extended stability over the coming months.

These latest proofs of the capability for Dyesol modules were presented by Dyesol Chief Scientist Hans Desilvestro in a paper delivered at the Renewable Energy 2006 international conference in Chiba, Japan.

European Tour Uncovers Opportunities

During the first week of October Dyesol Chairman, Richard Caldwell, and Managing Director, Sylvia Tulloch, conducted a series of meetings across Germany, Austria and the Netherlands with institutions, investments analysts, business and media.

The meetings demonstrated how sophisticated the European financial markets and media are in regard to alternative energy ventures and stocks. The Dyesol business model and strategic IP portfolio were fully appreciated by most who attended meetings.

At one meeting Max Deml, a well known market commentator who is regarded as the European "expert" in PV stocks by many in the sector, said Dyesol was this years best performer in his PPVX index to date, but was notably among the 4 smallest stocks in the index by market cap.

Meetings were also held with a number of commercial organisations that have registered an interest in setting up DSC manufacturing in Europe. Dyesol are currently assessing potentially locations for European production.

STI Meets Defence Milestone

In September, STI met the third Milestone of its \$2M contract with the Australian department of Defence to demonstrate a Flexible Solar Panel based on DSC technology. The project is ahead of schedule in all key performance aspects. The next Milestone in December, the demonstration of the performance of the selected dyes, will be combined with an early annual review. Recently, STI demonstrated that the performance of the prototype DSC panel was significantly superior to that of a US amorphous silicon competitor when the modules were subjected to variable shading. This demonstration reinforces the claimed superiority of DSC in 'average' solar conditions.



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